

M/045/030

**TOOELE COUNTY
DEPARTMENT OF ENGINEERING**

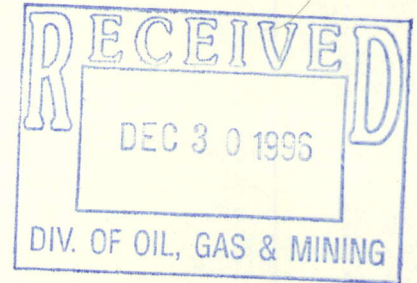
47 SOUTH MAIN, TOOELE, UTAH 84074
(801) 882-9160



J. RAYMOND JOHNSON, P.E.
DIRECTOR

December 19, 1996

Department of Natural Resources
Division of Oil, Gas and Mining
ATTN: D. Wayne Hedberg
355 West North Temple
3 Train Center, Suite 350
Salt Lake City, Utah 84180-1203



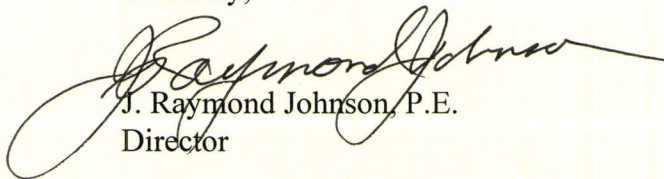
Re: Large Mining Operations Notice of Intention, AKZO Nobel Salt, Inc.,
Timpie Solar Ponds, M/045/030, Tooele County, Utah

Dear Mr. Hedberg:

The AKZO salt operation, within Tooele County, is located within a "General Industrial District" M-G zone. This zone is "to provide areas in appropriate locations where heavy industrial processes necessary to the economy may be conducted. The regulations of this District are designed to protect environmental quality of the District and adjacent areas".

In my opinion those facilities located within plots A & B could very easily be used for post mine uses. There is a road and railroad that services this area and it would not take a great deal of effort to convert or use these buildings and facilities for other uses that the production of salt.

Sincerely,

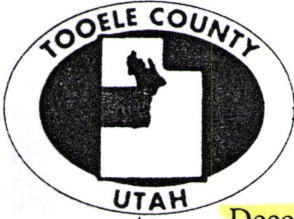

J. Raymond Johnson, P.E.
Director

cc: Dan Bauer, AKZO Nobel Salt, Inc.

M045/030

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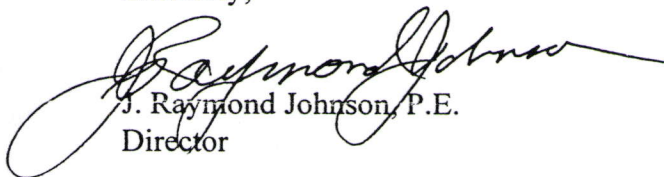
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In my opinion those facilities located within plots A & B could very easily be used for post mine uses. There is a road and railroad that services this area and it would not take a great deal of effort to convert or use these buildings and facilities for other uses than the production of salt.

Sincerely,


J. Raymond Johnson, P.E.
Director

cc: Dan Bauer, AKZO Nobel Salt, Inc.

BRINE SUPPLY AGREEMENT

THIS BRINE SUPPLY AGREEMENT is entered into this 3rd day of August, 1993, between AKZO SALT INC., a corporation duly organized and existing under the laws of New Jersey ("Akzo"), and MAGNESIUM CORPORATION OF AMERICA, a corporation duly organized and existing under the laws of Delaware ("Magcorp"), as follows:

RECITALS

A. WHEREAS DIAMOND CRYSTAL SALT COMPANY, a Michigan corporation ("Diamond"), and AMAX INC., a New York corporation ("Amax"), entered into that certain Stock Purchase Agreement and that certain Clarification of Stock Purchase Agreement, both dated on December 19, 1986 (collectively the "Stock Purchase Agreement"), pursuant to which Amax sold to Diamond all of the then issued and outstanding capital stock of SOL-AIRE SALT AND CHEMICAL COMPANY ("Sol-Aire");

B. WHEREAS in the Stock Purchase Agreement, Amax and Diamond also agreed concerning future operations of Sol-Aire and AMAX MAGNESIUM CORPORATION, a Delaware corporation and a wholly owned subsidiary of Amax ("Magnesium"), in the area known as the Stansbury Basin in Tooele County, Utah. Specifically, Amax and Diamond agreed, among other things, that Sol-Aire would establish operations in the Stansbury Basin where Magnesium had previously conducted operations;

C. WHEREAS in the Stock Purchase Agreement, Amax and Diamond also agreed that Magnesium reserved the right to re-establish magnesium extraction operations utilizing brine concentration

its operations to desalt its pumps and equipment, subject at all times to Magcorp's required use of water from the Fresh Water Pond in its operations. Akzo shall pay its share of the annual costs incurred by Magcorp in its operation and maintenance of the Fresh Water Pond in proportion to the respective quantities of fresh water used by each, and Akzo shall pay all costs relating to delivery of such water to Akzo's operation.

6. DISCHARGE OF BITTERNS. Akzo may discharge its bitterns into a location to the east of the Maximum Crystallizing Area so as not to unreasonably interfere with Magcorp's operations, from which location Akzo may, as directed by Magcorp, transport such bitterns across land within Magcorp's control and discharge the bitterns into an area as Akzo and Magcorp may mutually agree, or if they cannot agree, Akzo may discharge the bitterns into Pond No. 1, all at the sole cost and expense of Akzo.

(How do
we get to
Pond 1
w/o going thru
Mag's Ponds)

7. RIGHTS TO ASSIGNMENT OF PROPERTIES.

A. In the event that Magcorp elects to surrender or relinquish any or all of its leases, permits, rights-of-way, or easements covering lands in the Stansbury Basin at a time when Akzo's operations in the Stansbury Basin are continuing, Magcorp shall offer to assign such leases, permits, rights-of-way, or easements to Akzo not less than sixty (60) days prior to surrendering or relinquishing them, provided, however, that subject to the provisions set forth in section 4.6 of the Stock Purchase Agreement, such obligation shall not be applicable to Magcorp's plant site (as displayed on the map attached as Exhibit I to the

Stock Purchase Agreement) and rights-of-way, easements, or other appurtenances thereto or to any lands within a two-mile radius from the outer boundary of the plant site. Akzo may within forty-five (45) days after receiving notice from Magcorp elect to receive assignments of all or any portion of the property or properties offered. Magcorp shall then assign the property or properties requested to Akzo, subject to necessary consents, without the payment of further consideration therefor.

B. In the event that Akzo elects to surrender or relinquish any or all of its leases, permits, rights-of-way, or easements covering lands in the Stansbury Basin at a time when Magcorp's operations in the Stansbury Basin are continuing, Akzo shall offer to assign such leases, permits, rights-of-way, or easements to Magcorp not less than sixty (60) days prior to surrendering or relinquishing them. Magcorp may within the forty-five (45) days after receiving notice from Akzo elect to receive assignments of all or any portion of the property or properties offered. Akzo shall then assign the property or properties requested to Magcorp, subject to necessary consents, without the payment of further consideration therefor.

8. SALE OF PROPERTIES.

A. Magcorp shall not sell its properties in the Stansbury Basin except as a package of all such properties, and any such sale must be coupled with an agreement of the purchaser to assume all of the obligations of Magcorp under this Brine Supply Agreement in accordance with section 4.9(b)(7) of the Stock Purchase Agreement.

B. Akzo shall not sell its properties in the Stansbury Basin except as a package of all such properties, and any such sale must be coupled with an agreement of the purchaser to assume all of the obligations of Akzo under this Brine Supply Agreement in accordance with section 4.9(b)(9) of the Stock Purchase Agreement.

9. DEFAULT. Except as otherwise specifically provided herein, if either party shall fail to perform any of the covenants or obligations imposed upon it under and by virtue of this Brine Supply Agreement (except where such failure shall be excused under any of the provisions of this Brine Supply Agreement) the other parties shall have all available legal or equitable remedies as provided by law.

10. NO WAIVER. No delay or failure by either party to insist upon the strict performance of any covenant, duty, term, or condition of this Brine Supply Agreement, or to exercise any rights or remedies following a breach thereof, shall constitute a waiver of any such breach. Either party may, by notice delivered in the manner provided in this Brine Supply Agreement, but shall not be under obligation to, waive any of its rights or any conditions to its obligations hereunder, or any covenant or duty of any other party. No waiver shall affect or alter the remainder of this Brine Supply Agreement, and each and every covenant, duty, and condition hereof shall continue in full force and effect with respect to any other then existing or subsequently occurring breach.